FINAL REPORT
and
RECOMMENDATIONS
of the
ADVISORY COMMITTEE
on
RESOURCE DEPENDENT COMMUNITIES
in
NORTHERN ONTARIO

May 1986

Ontario

Ministry of
Northern Development
and Mines

Committee on Resource Dependent
Communities in Northern Ontario
180 Dundas Street W. Ste. 2005
Toronto, Ontario M5G 1Z8

May 26, 1986

The Hon. René Fontaine
Minister
Ministry of Northern Development and Mines
10 Wellesley Street East
10th Floor
Toronto, Ontario

Dear Mr. Minister:

Further to Order-in-Council 3015/85 and 897/86 establishing the Advisory Committee on Resource Dependent Communities in Northern Ontario, our study is now complete.

It is our pleasure to deliver to you today, the Committee's Final Report and Recommendations. While we realize that the focus of the Report and its recommendations may pose some difficulties for the Government, it is the essence of our findings that the North needs to be treated much differently than the rest of the Province. It is our firm belief that if Northern Ontario is not treated in such a manner, its outlook is not good.

The Committee would like to express our appreciation for your continued support. We would also like to indicate that we were impressed by the positive response of the public and of the media towards our work. In this regard, and although not specifically recommended, we see some value, as individuals, to continue to be involved in a program of public education regarding resource dependent communities.

Also, the Committee feels strongly that its members be present with you when you publicly release its Final Report and Recommendations and that the Report be available in French. The Committee would like to see this done as soon as possible since many people have expressed interest in our findings.

..... 2.

We trust that you and your colleagues will give these recommendations careful consideration.

It has been an honour and privilege to serve on your Advisory Committee on Resource Dependent Communities in Northern Ontario.

Yours sincerely,

R. G. Rosehart, Chairman

Jack Pierce, M.P.P.

Bob Axford

Ginette Quirion

Ron MacDonald

Bud Wildman, M.P.P.

Gilles Morin, M.P.P.

Final Report and Recommendations

of the

Advisory Committee on Resource Dependent Communities

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Bob Rosehart, Committee Chairman
Bob Axford, Committee Member
Ron MacDonald, Committee Member
Gilles Morin, M.P.P., Committee Member
Jack Pierce, M.P.P., Committee Member
Ginette Quirion, Committee Member
Bud Wildman, M.P.P., Committee Member

Marc Couse, Committee Secretary
Stephen Harvey, Researcher
Linda McClenaghan, Secretary

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INTRODUCTION

The seven member Advisory Committee on Resource Dependent Communities in Northern Ontario was established by Order in Council 3015/85 on December 19, 1985, to examine the current situation and future outlook for resource dependent communities in Northern Ontario. The Committee was also asked to examine current private sector practices with respect to plant and mine layoffs and closures, and the effects on residents and municipal government and to recommend possible solutions.

Although the time frame of our efforts has been relatively short and the mandate relatively large, the work of this Committee has been intensive and has included many meetings in northern communities, meetings with both Ontario and Federal Government departments and, as well, indepth research visits to areas with similar resource community problems, namely, British Columbia, northern Minnesota and northern Sweden. In addition, meetings have been held with several directly involved industrial and labour associations. The Committee thanks all those groups and individuals for their participation and valuable input and the media who

have been very responsive to the activities of the Committee.

In some areas, the Committee has identified new proposals for dealing with the problems of northern resource dependent communities but because of the lack of indepth research has not made specific recommendations. Rather, it has made recommendations for further study. In other cases, specific recommendations have been made.

THE CHALLENGE OF NORTHERN ONTARIO

Northern Ontario represents over 80% of the land mass of this province yet contains less than 10% of the population. Historically the economy of the North has been tied to the natural resource sectors of forestry and mining and is heavily dependent on the activities of large corporations. A much smaller secondary dependancy has existed on tourism and agricultural activities. In addition to a low population per unit area, the problems of Northern Ontario are further compounded by the fact that approximately 75% of the population resides in five major regional centres. In contrast, of the 50 or so resource dependent communities in the North, over 60% have less than 2,500 inhabitants.

The problems of northern resource dependent communities, large and small, are well known and include:

- resource depletion
- vulnerability to world commodity prices
- vulnerability to corporate policy changes
- the cyclical nature of resource industries
- modernization with associated employee reductions
- community problems associated with new resource developments

- competition with third world resources
- increasing and changing unemployment rates
- declining population
- the "magnet" effect of "Golden Horseshoe" centralization
- loss of youth
- difficulty of attracting and keeping professionals in the North
- climate
- social problems associated with uncertain future
- high costs of living and of doing business
- high costs and availability of transportation
- distance to market and population centres
- sparse population

For all the problems of the North, and quite honestly the outlook is not encouraging, the value from the resources of the North, since the turn of the century, has made a significant contribution to the development of the Province as a whole.

It is the feeling of the Committee that the Province is at a true crossroads in terms of future policy towards Northern Ontario. In the past five years we have seen numerous losses in resource sector jobs but statistically these have been mitigated, to some extent, by the

growth of service sector positions throughout the North. This service sector growth is unlikely to continue without the addition of further base employment to the region. Although several programs, both Federal and by Ontario, attempt to deal with the problems of industrial diversification, it is difficult to say that they have been particularly effective. It is the opinion of the Committee that short term solutions, although a component of an overall strategy, will not and have not lead to any significant progress in terms of the development of Northern Ontario. *It is the opinion of the Committee that at this most uncertain time in terms of where the North is going, that a major political and public commitment by the people of Ontario is necessary to support government policies that will treat the North in a different way than the rest of Ontario.* Without such support the Committee is most concerned about the social and economic future of the North.

1. **Recommendation: That the Government of Ontario commit the Province to the adoption of a long-term development strategy for Northern Ontario and that such a strategy has the broad support of residents of the Province.**

The overall problems of the North are visually translated into horrifying statistics when one examines the plight of resource dependent communities undergoing a major industry closure or downsizing. Years after such closures and with tremendous community and government support one such community still generates unemployment rates of 30-35%.

At the beginning of the work of this Committee, our focus was very much on the smaller communities of the North, however, it has become increasingly obvious, during our community visits and the events of the past few months, that all resource dependent communities in Northern Ontario are vulnerable, some more than others. It was apparent to the Committee that some communities and northern residents are fully aware of their situation and have instituted a variety of self-help programs at the community level. Unfortunately this is not the case throughout the North.

A major challenge the Committee has faced is how to motivate both communities and individual citizens to look toward and prepare for their long-term future. The Committee was most impressed by the degree of

decentralization and local control that exists in the north of Sweden and the positive psychological effect that this has had on the outlook and philosophy of community leaders. This effect is enhanced by the commitment of resources and money. It is clear that the systems of government in Sweden and Ontario are somewhat different and although, structurally, it is not possible to formally delegate as much decision-making to the local level as in Sweden, the Committee believes that an underlying theme of government policies towards the North should be built around more community input in decision-making.

When resource industries either shut down or dramatically downsize, resource dependent communities bear the brunt of significant social and economic adjustments. Typically, the adjustments are more severe with smaller communities, however, the impacts, because of employment multiplier effects, are significant even in the large regional centres. Logically, when a disruption or closure occurs, one might envision the closure of small resource dependent communities in the north and the movement of their population to regional centres. Except in the very few instances of so-called "mining camps", this is unlikely to occur.

More likely, communities go through a downsizing adjustment and it is the belief of this Committee that government policy in such situations should be directed to facilitating such downsizing with minimum social and economic adjustments. To address this matter the Committee makes a number of recommendations for consideration.

NORTHERN DEVELOPMENT OPPORTUNITIES

PROTECTING THE BASE OF EXISTING RESOURCE INDUSTRIES

Through meetings in the North and discussions with business, industry and the study of other interests, it is clear that every effort must be made to maintain the viability and competitiveness of existing resource industries.

It is acknowledged that in order to remain competitive in the mining and forest industries further modernization and competitive strategies are necessary to cope with off-shore imports which will result in further decreases in employment in the resource sector.

It is felt, however, that the core economy of the North will be resource based for the foreseeable future.

2. **Recommendation: That the Government of Ontario expand sectoral planning for the mining and forest sectors. The Ministry of Northern Development and Mines should formally undertake sectoral planning for the mining industry and the Ministries of Natural Resources and Industry, Trade and Technology should co-ordinate and expand sectoral planning in the**

forest industry. Such planning mechanisms should involve input from labour and community groups and the Northern Development Councils.

3. **Recommendation: That the Government of Ontario immediately initiate negotiations with the Government of Canada to define exploration priorities with respect to the Canada/Ontario Mineral Exploration Program.**

The Committee makes this recommendation because it received input to suggest that the priorities of both Governments were not co-ordinated and that they don't necessarily share common goals.

4. **Recommendation: That with respect to the mining and forest industries in Northern Ontario, every effort must be made to prevent undue influences which may create artificial distortions in the marketplace.**

It is important that all firms be treated in an equitable fashion under any subsidy or tax incentive program. It should be noted that the industry seems to prefer assistance through tax incentives rather than through subsidies.

The most serious problem presently facing the forest industry is the increasing cost of wood supply. The problem is expected to worsen in future years and to be further exacerbated by off-shore competition. It is simplistic for this Committee, considering our mandate, and time frame, to make major recommendations regarding the forestry sector. However, there are some comments and recommendations that the Committee believes it must make.

A considerable focus in recent years has been on reforestation and while this is a noteworthy effort, it must be expanded. However, presently reforested trees are going to have little impact in the forestry sector in the North for at least 60 years. Increasing labour and technology intensive methods must be adapted to care for and improve our existing forest resources. Such efforts would include thinning, removal of competitive species and providing protection for valuable species. Such investments have not been a major part of our forest management practices.

5. **Recommendation: That the Ministry of Natural Resources initiate a task force to study improved or alternate forest management practices to determine their applicability to Northern Ontario. Such a**

Committee should be broadly representative of the forest industry, forest policy and forest research sectors, labour and directly involved community sectors.

In spite of positive comments regarding the value of Forest Management Agreements as vehicles for timber management planning, some concern or confusion seems to exist between the major pulp and paper firms, third party sawmill operations and affected communities.

6. **Recommendation: That the Ministry of Natural Resources seek to clarify the impact of Forest Management Agreements on third party operations and if specific regional problems exist, every effort should be made to mitigate them.**

The Committee has heard concerns of saw-logs being directed to pulpmills, and small logs, more suitable for pulpmills being processed into lumber. Every effort should be made to encourage third party agreements and improve the exchange of wood. Chips purchased from a third party should be credited to a forecasted cut.

7. **Recommendation:** **That the Ministry of Natural Resources develop a comprehensive wood utilization policy and enforcement program to ensure the most valuable end use to the people of the Province of the forest resource. Every encouragement must be given to large pulp and paper firms to utilize waste chips from third party sawmills.**

Natural Resource Research

Long term fundamental research by the resource sectors is fragmented, non-existent or ignored. Applied research is through industry sponsored, national groups, i.e. the Pulp and Paper Insitute of Canada or through industrial research establishments. None have created a significant knowledge base here in Ontario to provide necessary long or short term support for the resource sector.

8. **Recommendation:** **That a definite program of natural resource research, both pure and applied including natural resource policy, be put in place in Northern Ontario with full co-operation of natural resource industries, government, labour, community leaders and northern education institutions.**

Value Added and Higher Quality Products

The Committee heard speculation and opinions on new resource sector opportunities in Northern Ontario and although this may seem inconsistent with the apparent plight of existing industries, there do seem to be some market opportunities that could be realized.

9. **Recommendation: That a sectoral study be undertaken immediately by the Ministry of Northern Development and Mines in order to further identify new resource sector market, manufacturing, and processing opportunities.**

Human Resources

Like our minerals and forests, human resources are an asset of the North. They also require attention. It is clear that the present workers in the natural resource sectors will have to undergo significant retraining and skills development in the coming years. Failure or lack of commitment to such efforts will greatly reduce the mobility of the workers and the competitiveness of the industry in the world marketplace.

TOURISM

Tourism has long been part of the economy of Northern Ontario. Most recently, there has been an increasing focus on tourism as providing the greatest single potential for the stimulus of development in the north of Ontario. In spite of the forecasted potential, the region seems to have difficulty in taking specific steps to realize the tourism opportunities. An effort is underway by the Ministry of Tourism and Recreation to develop a tourism strategy for Northern Ontario. It is felt that this is worthwhile and should be encouraged.

10. **Recommendation: That provincial government incentive programs aimed at small business development in Northern Ontario also include capital investments in tourism.**

11. **Recommendation: That current efforts to define attraction networks and package tours be expanded and that attraction duplication be minimized.**

The Committee recognizes that while some circle routes have been identified and are being promoted, facilities need to be developed or upgraded. Municipalities in

the North should be encouraged by the Ministry of Northern Development and Mines and the Ministry of Tourism and Recreation to view tourism as an economic development opportunity for the North and their region. Encouragement should be given to northern communities to take advantage of their unique geographic or industrial environments, i.e. underground mine tours.

12. **Recommendation: That a long term strategy for road development and complementary electric power and communications services in the North be initiated. An immediate priority should be to develop appropriate interconnecting links with good quality highway rest stop facilities to enhance tourism and the tourism market.**

There does not appear, in recent years, to be many cottage lot developments on Crown land and this may be partly due to present policies with respect to purchase or lease. Such cottage developments can have a positive economic impact on northern communities.

13. **Recommendation: That the Ministry of Natural Resources review their program for making easily accessible Crown land available to Ontario citizens for cottage developments and that such developments be encouraged and subject to local consultation.**

Northern Ontario has some excellent winter sports facilities but these have yet to draw significant numbers of winter tourists from other parts of Ontario and elsewhere.

14. **Recommendation: That the Ministry of Tourism and Recreation initiate a major marketing program to attract winter sports tourists to the North.**

The Committee recognizes the value of marketing education in tourism development and promotion and the need for specialized management training.

15. **Recommendation: That the Ministry of Colleges and Universities, in conjunction with the Ministry of Northern Development and Mines and the Ministry of Tourism and Recreation, establish, in a northern educational institution, educational programs on tourism development, marketing and management.**

While recent suggestions by the Ministry of Northern Development and Mines to enhance the public tourism infrastructure along Northern Ontario highways are

commended, present restrictions seem counter to the desired tourism objective.

16. **Recommendation: That the Ministry of Northern Development and Mines should request the Ministry of Transportation and Communications to enhance the signage and facilities of northern points of interest and of northern communities.**

17. **Recommendation: That Northern Development Councils consider tourism as one of their prime focuses.**

NEW OPPORTUNITIES IN THE NORTH

Without intervention by Government it is unrealistic to expect that any significant number of new jobs will be created in the North. Job creation success in recent years has been in the service sector (a number of these jobs are part-time) following the trend of the rest of Ontario. It is unlikely that additional jobs in the service sector can be expected without increased jobs in the resource or manufacturing sectors.

In order to stimulate activity in the small business and manufacturing sectors in the North, the following recommendations are made:

18. **Recommendation: That an "Invest North" proposal for an Ontario Tax Credit be developed by the Treasurer to encourage the purchase of shares of northern based manufacturing businesses.**

The proposal would have more general appeal than the current Small Business Development Corporations program which is not well understood by small investors in the North.

19. **Recommendation: That a junior stock exchange be established in Northern Ontario.**

In today's world of high speed communications and transmission of financial data there is no reason why such an exchange cannot exist in the North.

In order to alleviate some of the difficulty in attracting new industry to the North to smaller population centres, specifically centres with population less than 20,000, the Committee believes:

20. **Recommendation: That there be instituted an incentive program whereby new businesses, excluding the primary resource sector, which are willing to locate**

in such centres in the North with a population of less than 20,000, would receive an additional 40% in grants and loans for capital expenditures beyond the level of grants and loans available to new business locating into larger centres in the North.

The Committee also believes that in the smaller communities, in some situations, grants and loans totalling up to 70% of the capital and start up costs would be appropriate. Many Regional and Provincial incentive packages currently used elsewhere are much more competitive than those in Ontario. It is important that such programs be monitored closely to determine the number of jobs created. Companies should also be funded to hire professional accounting and marketing graduates.

21. **Recommendation: That the Governments of Ontario and Canada must enter into a program for Northern Ontario Development.**

In any such agreement the Ministry of Northern Development and Mines should be designated as the lead Ministry. The Committee observes that many of the programs of the Government of Canada that are aimed at Northern Ontario and its communities are flawed by

criteria and appear unnecessarily bureaucratic.

22. **Recommendation: That to increase the competitiveness of products manufactured in the North, any product manufactured in the North should be designated as Ontario sales tax exempt.**

23. **Recommendation: That recent initiatives such as the Northwest Enterprise Centre, to stimulate entrepreneurial activities be expanded, particularly in northeastern Ontario.**

24. **Recommendation: That innovation centres established in the North be expanded to include incubation development facilities and research and development expertise should be made available in the North from Northern Educational Institutions to assist small businesses.**

The Committee heard, during its northern visits, of the expanded role that women are playing and of the further opportunities that women can play in the northern economy. The Committee was particularly impressed by a program in Sweden aimed at the encouragement of women entrepreneurs. Although such programs do exist in Ontario, the Committee believes that they should be given a higher priority and expanded focus.

25. **Recommendation:** **That the Government of Ontario increase the use of its own purchasing power to stimulate the development of small business in northern Ontario.**

26. **Recommendation:** **That the Government of Ontario institute an Ontario Tax Credit system for businesses in the North, with the exception of traditional resource business, which would acknowledge the high costs of doing business from the North.**

Eligible tax credits would include:

(1) incremental telecommunications costs

(2) incremental necessary business travel costs

(3) transportation costs - up to 20% of costs

(4) energy costs - up to 20% of costs

(5) employer costs of employee benefits - up to 20% of costs.

It is observed that most incentive measures for small business have, in the past, been aimed at start up costs. However, small business difficulties are usually related to cash flow. These measures are meant to overcome such difficulties.

The Committee believes that it is possible to have spin-off manufacturing of resource related equipment in the North.

27. **Recommendation: That the Ministry of Northern Development and Mines, in co-operation with the Ministry of Industry, Trade and Technology, work closely, by sector, with industries in the North to identify and target new manufacturing opportunities.**

Efforts to vertically integrate existing resource industries should be encouraged through incentives and regulations if necessary.

SPECIAL FINANCIAL MECHANISMS

Northern Ontario Fund

Historically, residents of the North have been concerned about the depletion of the natural resource base and the outflows of the mineral and forest wealth. Present estimates place the value of the northern minerals and forest production in excess of $15 Billion/year. Little of this money has traditionally been reinvested in the North and the situation is

further compounded by the continued depression of base metal prices and weak commodity prices for pulp and paper products. At the present time a variety of government programs exist both federally and in Ontario that can be used to stimulate development of new business and industry. Such initiatives, although laudable, have failed to create a significant long term focus for development in the North. It is the belief of the Committee that the opportunity exists and the political will is present in Ontario to provide such a focus for development.

28. **Recommendation: That there be established a Northern Ontario Fund for Northern Ontario. The Fund would be administered by an independent board of seven northern residents appointed by the government for various terms with no appointment for more than four years (including re-appointments).**

Administratively, the fund would report to the Minister of Northern Development and Mines on a yearly basis and be fully accountable to the Provincial Auditor.

The initial monies to establish the fund would come from the following sources:

(i) the transfer of assets of the Northern Ontario Development Corporation to the Northern Ontario Fund,

(ii) the consolidation of line ministry financial programs such as NORDEV and AgriNorth,

(iii) the transfer of 50% of the special $100 million commitment to Northern Ontario made during the 1985 Budget to the Northern Ontario Fund,

(iv) an additional commitment financed through a percentage of provincial revenues from resource industry taxation. The appropriate percentage can only be determined by observing the initial operating year or two of the fund.

(v) a negotiated yearly Federal Government financial commitment through the Federal Government's Canadian Jobs Strategy Program.

It is unfortunate that the implementation of the Canadian Jobs Strategy Program has been both delayed and bogged down in bureaucracy. It is apparent to the Committee that such programs are both perceived to be, and are more effective if the control of the funds is as close to the point of use as possible. This approach would support the recommended yearly allocation to be administered in a decentralized fashion.

Use of Fund

Monies from the Fund would be invested through loans, grants and joint ventures in development projects which are consistent with the guidelines and priorities established through community, regional, provincial and federal planning. Such initiatives could include community based development funds.

In making investment decisions the Fund would consult the appropriate Northern Development Council, appropriate Government expertise and as well, in the case of communities, ascertain the degree of community commitment to the leadership development program recommended elsewhere in this report.

An important element of the Northern Ontario Fund would be support for long term research and development associated with specific projects and for projects involving investment in public infrastructure.

Corporate Investment Funds

The Committee has been impressed by the apparent long term positive impact of corporate "investment funds"

on the stability of resource industries in Sweden. Such funds allow corporations to shelter profits from taxes, to be used at a future time, upon government approval, for such purposes as modernization, diversification, research and exploration. Such funds would encourage reinvestment in northern Ontario. The Committee has been particularly concerned about stories of capital outflow from the North.

29. **Recommendation: That the Ministry of Northern Development and Mines consult with the Treasurer to study the applicability of such investment funds in the context of current Ontario corporate tax policies.**

Gasoline Prices in the North

From both a cost of living standpoint and a tourism development perspective, a most significant deterrent, both real and perceived, to northern travel, is the high and variable price of gasoline in the North. This issue has often been studied and the Committee acknowledges that, while there are no simplistic solutions, the time has come for some direct action by Government.

30. **Recommendation: That the effective level of gasoline prices in the north of Ontario be reduced by the equivalent of 5¢/litre through a redistribution of the excise tax on gasoline. In addition, the Ministry of Northern Development and Mines in association with the Minister of Consumer and Commercial Relations and Minister of Energy should publicly disseminate spot check prices on gasoline in the North on a regular basis to pressure the oil industry into a more realistic price structure for Northern Ontario.**

Other Energy Costs

In addition to the high price of gasoline, the Committee recognizes that costs for other forms of energy are higher in the North.

31. **Recommendation: That a $100 per year tax credit be granted to residents of northern Ontario to offset the high energy costs and consumption in the North.**

EDUCATION

The Committee, in reviewing a variety of options for both long term and short term development, is firmly convinced that additional investment in the education

of northern residents will be one of the most important roles that government can play in the development of the North.

Knowing that our industries will undergo structural change, it is apparent that the retraining requirements of existing industry workers will place increasing demands on the educational facilities in the North. In addition, the long term quality of life in the North will be best served by expansion of professional education in the North to serve the needs of the North. The Committee was most impressed with the Swedish approach to the development of educational infrastructure as the cornerstone of long term development in their North. The Committee believes that such an approach is necessary for Northern Ontario.

32. **Recommendation: That the Ministry of Northern Development and Mines work closely with the Ministry of Skills Development to identify a northern Ontario component of the Federal/Ontario agreement on skills development.**

Although skills development initiatives in the past have been criticized for training people in fields not required, the Committee heard consistently that an

investment in skills training is an investment that pays off.

In spite of various programs to attract health professionals to the North as well as to provide assistance to students to pursue such careers in the North, the results have not been encouraging.

33. **Recommendation: That the Government of Ontario, in response to the continued need for health professionals in the North, develop a medical school in Northern Ontario along with an associated health research institute.**

The smaller resource dependent communities in the North will have more difficulty with accessing a complete range of educational programs in the future. The Committee anticipates that, at all levels, including post secondary education, demand will grow as residents become more aware of the positive influence that advanced education levels have on job and career mobility.

The Committee, while supportive of recently announced incentives to create a Northern Ontario distance education network, feels that considerable potential still

exists within the existing educational infrastructure in the North if it were funded in such a way to recognize regional responsibilities.

34. **Recommendation:** **That the Ministry of Northern Development and Mines in co-operation with the Ministry of Education and the Ministry of Colleges and Universities develop special funding incentives that specifically encourage the educational institutions to provide increased service, such as continuing education and adult education, to the smaller communities in the North.**

Although the focus of this report has been on northern issues and northern problems, the Committee acknowledges the need to better acquaint the residents of other parts of Ontario with the North.

35. **Recommendation:** **That the Ministry of Northern Development and Mines undertake the production of a world class video on northern life, geography and commerce.**

36. **Recommendation:** **That to support an earlier recommendation made by the Procedural Affairs Committee of the Ontario Legislature, the Ministry of Northern**

Development and Mines work with the Ministry of Education to develop and fund a northern visitation program for senior elementary students from other parts of the Province.

37. **Recommendation: That every effort be made to acquaint, on a firsthand basis, political and senior government officials with Northern Ontario to provide a clearer understanding of northern community problems, particularly those of small resource dependent communities, and of life in the North in general.**

RESEARCH AND DEVELOPMENT

The Committee has heard many arguments related to the potential for additional industrial opportunities associated with both the resource sector industries and other possible industrial sectors in the North. The Committee was struck by the contrast between northern research and development initiatives, both short-term and long-term, in northern Sweden with those in Northern Ontario. The relocation, some 15 years ago, of educational and research efforts related to forestry and mining in particular into new universities in the north of Sweden has given those institutions a unique identity in terms of regional development. At about

the same time and to complement resource related research initiatives, a number of related government departments were also moved to the North. This required a strong political commitment to the North, as it was not done without opposition. The results are impressive in terms of spin-off developments, increased levels of research occurring within northern companies and the high degree of self-sufficiency of the region with respect to research and development.

Although such initiatives are focused on regional centres, efforts have been made and are currently being expanded, to allow smaller communities to access and participate in these initiatives.

In the context of establishing a long-term base for the development of the North the following initiatives are recommended:

38. **Recommendation: That a forestry institute be located in the North to which the two current forestry programs in Ontario would be affiliated. Such an institute would focus on forest management and silviculture practices as well as process development and forest machinery development.**

39. **Recommendation: That an Ontario Mining Development Foundation should be established in Northern Ontario to develop exploration techniques, mineral processing techniques and related mining technologies. The existing schools of mining would be affiliated with this Foundation.**

The development of new industrial opportunities in the North in conjunction with the northern network of innovation centres will require research and development assistance in order to develop appropriate technologies.

40. **Recommendation: That there be established in the North a Northern Technology Research and Development institution to provide technical support for northern development initiatives. It is suggested that such an institute would have a close working relationship with the Ontario Research Foundation and that the work done have direct benefit to the development of secondary manufacturing in the North.**

SENIOR GOVERNMENT IN THE NORTH

ROLE OF ONTARIO GOVERNMENT

Although most northerners responded favourably to the existence of such a department as that of the Ministry of Northern Development and Mines, there is still some confusion with understanding its role and mandate.

The Ministry of Northern Affairs Act specifies "it is the function of the Ministry to co-ordinate the activities of and initiate policies and programs for the Government in Northern Ontario, including ....." It is the opinion of the Committee that within the existing Act there is considerable room and flexibility for the Ministry to exert more influence on other government departments dealing in the North.

41. **Recommendation: That the Ministry of Northern Development and Mines exercise the power it has within the Ministry of Northern Affairs Act to exert a greater influence on other Government ministries dealing with the North.**

42. **Recommendation: That in order to provide more program co-ordination for the delivery of program**

services in the North that the appropriate regional Assistant Deputy Minister of the Ministry of Northern Development and Mines chair a Committee consisting of the regional directors of line ministries operating in each northern region.

The Committee appreciates the changing role of the Northern Affairs Officer but feels there is considerable latitude for enhancement of the community role for such ministry staff.

43. **Recommendation: That a staff development program be undertaken to prepare the Northern Affairs Officers for enhanced duties.**

In the North the Committee heard many frustrations dealing with the slow and centralized indirect decision-making process of government ministries.

44. **Recommendation: That all ministries that operate in the North should immediately decentralize the decision-making process to the North as much as possible.**

In no situation should a program decision need to be referred to more than a second geographic location in the North.

The Committee acknowledges the real difficulties of maintaining a stable population base in the North and feels that the Provincial Government has a special responsibility for job creation in the North.

45. **Recommendation: That between now and 1991 that five thousand of the existing Ontario Government line ministry positions be transferred to the North. This number represents an additional 6% of the complement of the Provincial civil service and is felt to be realistic by the Committee.**

46. **Recommendation: That the Government of Ontario make every attempt to locate the administration of new government programs in the North.**

The proposed initiatives of computerized mapping and remote sensing are two such candidates. The Committee believes that existing government departments needing specialized equipment to supply services should be given increased assistance or incentives to acquire such new equipment or facilities if they are going to expand in the North.

47. **Recommendation:** **That the Ministry of Northern Development and Mines expand its support for community and regional Economic Development Offices. Criteria should be developed to make all communities (in some cases, groups of communities) eligible for support on a 75-25 cost shared basis.**

NORTHERN DEVELOPMENT COUNCILS

Throughout the North, the Committee has received favourable comments on the proposed initiatives by the Minister of Northern Development and Mines to establish Northern Development Councils.

The Committee recognizes the need for a careful mixture of community, regional, senior government and sectoral interests involvement in northern regional planning. The Committee believes that the communities of Northern Ontario are ready to participate in this co-operative venture of regional planning. The Committee, in its travels through the North and in its analysis of resource dependent communities, has identified some concerns that should be considered in the function and operation of the Northern Development Councils. In particular the Committee identifies the following for consideration.

Role of the Northern Development Councils

The Committee is aware of the potential for the Development Councils to foster a fragmented approach to development in the North.

48. **Recommendation: That every effort be made to ensure that the Northern Development Councils follow a regional planning approach and that they work closely with local communities to develop policy recommendations for provincial and municipal authorities. Policy recommendations would follow from the Councils' identification of regional problems and priorities.**

Duplication of Initiatives

In both Northern Ontario and northern Sweden, the Committee heard many references to similar "pet" development projects, for example, peat harvesting, fish farming, wildlife zoos, mine tours, tomato culture, etc. It is apparent to the Committee that with all the advantages of decentralized planning there also needs to be an element of realism and practicality. At present, the Ministry of Northern Development and Mines, through its various incentive

programs, encourages such far and wide feasibility studies but then is usually unable to follow through on second phase studies because of more critical technical assessment. This appears to dampen and frustrate community initiative. The Committee is convinced that the Northern Development Councils should provide a forum to focus some of these community initiatives and to prevent duplication and unnecessary competition between communities.

49. **Recommendation: That although a policy advisory body, the Northern Development Councils be asked for input when community incentives are proposed.**

Northern Development Council Boundaries

As the Committee understands it, the boundaries for the various Councils have yet to be finalized and will have some degree of flexibility. The Minister should be aware of the strong feelings of some of the smaller communities with respect to the so-called regional centres, and in fact, in other situations, to the competition between other regional centres in the North.

50. **Recommendation: That, no matter what boundaries are initially chosen, a gestation period be allowed during which time a redefinition of boundaries might occur.**

The socio-economic and cultural diversity, in north-eastern Ontario in particular, is going to require that the Minister be sensitive to the aspirations of the various subregions in the North.

Relationship of Northern Development Councils to Ministry of Northern Development and Mines

Concern has been expressed over the potential duplication of the functions of various existing northern bodies by the Northern Development Councils, in particular, such organizations as Northern Ontario Municipal Association, Northwestern Ontario Associated Chambers of Commerce, Commerce North West, Federation of Northern Ontario Municipalities, Local Advisory Councils, etc. and the role that elected officials have with the Councils.

51. **Recommendation: That every effort be made to have the Northern Development Councils be seen as an**

additional consultation mechanism in the North and not as a substitution for long standing organizations.

Co-ordination among Councils is felt by the Committee to be as important as the operation of individual Councils.

52. **Recommendation: That there be established a Committee of the Chairpersons of the Northern Development Councils which would meet on a regular basis.**

Expanded Role of Northern Development Councils

Every effort must be made to prevent the Northern Development Councils from becoming frustrated and super glorified economic development corporations. The Councils should pay due respect to quality of life considerations and to the social development implications of proposed initiatives.

This Committee has addressed the questioned need for an ongoing Advisory Committee and recommends to the Minister that such a body is not necessary and could cause some confusion and duplication with the Northern Development Councils' efforts. This Committee feels,

however, that one of our most significant contributions has been the focus we have provided in our community meetings and the self-awareness resulting from this dialogue.

53. **Recommendation: That each Northern Development Council rotate its meetings among the various communities within its area and that a portion of each meeting be open for public input and dialogue. The collective expertise of the Northern Development Councils should be focused on a yearly public conference which would be held in various parts of the North where all Northern Development Council members could meet to discuss common issues, concerns and initiatives. Such meetings could also provide opportunities for sectoral discussions.**

The Committee cautions the Minister that some of the efforts of the Northern Development Councils may have extended time frames and therefore may need appropriate research and development support.

COMMUNITY RELATED RECOMMENDATIONS

COMMUNITY ADVOCACY AND A COMMUNITY LEADERSHIP DEVELOPMENT PROGRAM

After having visited and discussed the issues of Resource Dependent Communities with many Northern Ontario residents, the Committee feels strongly that the development and support for Community leaders is probably one of the most important steps that the Government of Ontario can take in order to aid in the long term, stabilization of resource dependent communities in the North.

54. **Recommendation: That the Government of Ontario establish a formal program of Community Leadership Development. The lead agency for such a program should be the Ministry of Northern Development and Mines with assistance and participation from other Ministries, specifically the Ministry of Municipal Affairs, the Ministry of Industry, Trade and Technology and the Ministry of Tourism and Recreation.**

The objective of this program would be to prepare a broad cross section of community leaders to recognize, prepare and implement the necessary changes for their

communities in the future. Participation of Labour, Service Groups, Service Sector, Local Government, Local Corporate Management and Individuals is necessary for the proposed program to have the desired success. The Program should be designed in module form and be made available throughout the northern system of post secondary education institutions.

55. **Recommendation:** **That the Ministry of Northern Development and Mines take the responsibility for developing, testing and co-ordinating the delivery of the Community Leadership Development Program. A Development Centre should be organized as a "Northern Resource Centre" where individual community leaders could look for advice and assistance in special situations. The Program modules should be designed to be delivered in a stimulating fashion and it is suggested that extensive use of case studies and role playing techniques be utilized.**

56. **Recommendation:** **That the following topics be elements of the Community Leadership Development Program:**

- **leadership and community decision-making methods,**
- **networking techniques**

- **the political process**
- **community volunteerism**
- **communications**
- **community education**
- **thorough knowledge of local economy and resources**
- **economic development strategies**
- **tourism development and marketing**
- **regional relationships**
- **municipal financing and infrastructure**
- **social planning for the community.**

The Committee fully realizes that senior government cannot legislate community self-awareness but it feels that most communities will take advantage of such a Community Leadership Development Program, if it exists.

57. **Recommendation: That, as a further incentive, certain types of senior government assistance for individual resource dependent communities be tied to demonstrated community commitment to and involvement in such a program.**

COMMUNITY FINANCING AND INFRASTRUCTURE

A major difficulty facing resource dependent communities is the adjustment and redistribution of the

municipal tax levy that results during community downsizing associated with a mine closure or other major employment disruption.

58. **Recommendation: That, where it has been determined that provincial support for a particular community is appropriate and subject to a northern municipality demonstrating it has developed a long term strategy to cope with its situation, the level of municipal transfer payments be frozen for a three year period (i.e. kept at current level but adjusted for inflation) following a major employment disruption.**

In order to assist with the development of community infrastructure, particularly during a boom period, and in order to reduce the long term debt load for resource dependent communities, the Committee offers the following for consideration:

59. **Recommendation: That the Minister of Northern Development and Mines explore innovative mechanisms for financing municipal expenditures in the North. One such option could be the use of Northern Municipal Bonds where the first right to purchase such bonds would go to Northern Ontario residents and all income from such bonds would be eligible for an Ontario Tax Credit.**

The Committee is well aware of the apparent inequities faced by resource dependent communities where a major resource industry facility lies outside of a municipal boundary. Much publicity and acknowledgment of the problem has recently focused on the Hemlo development area but the problem is not unique to Hemlo. The Committee has examined several options for dealing with this problem.

60. **Recommendation: That the Ontario Mining Tax Act be amended in order that the Ministry of Revenue provide to specific Northern Ontario communities from mining revenues, a grant in lieu of taxes in proportion to the number of mine workers living in that community. Such a program could be adapted to the forest industry where an operation is located outside a municipal boundary.**

61. **Recommendation: That, for municipal grant purposes, senior government include an equivalent assessment credit in proportion to Recommendation 60 above for major resource industries that lie outside of a municipality.**

In making the following recommendations, it must be clear that the Committee is not recommending any

additional tax levy for the primary resource sector but a redistribution of existing tax levies.

62. **Recommendation: That assessment criteria for mines include the underground operation.**

63. **Recommendation: That every consideration be given when planning community infrastructure to consider approaches so that increasing or decreasing demands on such infrastructure can be dealt with in a cost efficient basis. This in no way implies that the Committee supports the development of second class facilities in the North.**

64. **Recommendation: That, in particular, the Ministry of the Environment and Ministry of Municipal Affairs consider the development of specific criteria for sewer, water and zoning appropriate to the North.**

It is most probable that with the amount of mineral exploration now underway that new mines will be developed. The Committee concurs with the current government policy prohibiting the development of new townsites and that new developments be tied to existing northern communities. The infrastructure impact on existing communities of such developments is addressed

in the previous recommendations. If extreme distances from existing appropriate communities are involved, necessary infrastructure should include airstrips to allow commuter camps.

HOUSING

The great Canadian dream of owning one's home poses some inherent difficulties for residents of resource dependent communities. Historically, the largest single investment that an individual makes during his or her lifetime is for home ownership. The Committee recognizes the following specific problems with respect to housing in resource dependent communities.

(i) the need for affordable rental and purchase housing during expansionary periods for both resource industry employees and employees of other sectors within a growing community,

(ii) the problem created by residual low cost housing remaining as a result of community downsizing. Such problems are particularly severe in localized mine settlements which do not come anywhere close to meeting municipal regulations,

(iii) the rapidly fluctuating values of real estate in resource dependent communities which tend to cycle according to resource economics rather than national trends,

(iv) because most resource dependent communities are land-locked by Crown land, the availability of raw land for community expansion has posed specific problems,

(v) the unfairness of the double jeopardy imposed on residents of resource dependent communities who are required under Canada Mortgage and Housing Corporation regulations to have a higher downpayment (25%) than residents of other so-called normal communities.

(vi) the pursuit of debt-ridden former residents who have lost their jobs and given up the equity in their homes by walking away from them.

The Committee appreciates that these are real problems and ones for which there are no easy solutions. It does feel however, that residents of resource dependent communities are unnecessarily disadvantaged by such situations.

65. **Recommendation:** That the Province of Ontario initiate discussions with Canada Mortgage and Housing Corporation to develop options to address the identified housing problems of individuals in resource dependent communities.

66. **Recommendation:** That, the Ministry of Northern Development and Mines initiate a feasibility study to explore ways of stimulating the development of co-operative housing in resource dependent communities.

67. **Recommendation:** That the Provincial Government initiate a program to assist first-time home buyers in the North.

68. **Recommendation:** That the Ministry of Northern Development and Mines and the Ministry of Financial Insitutions jointly explore an increasing role that Chartered Banks, Credit Unions or Caisse Populaires could have in resource dependent communities.

Company Owned Housing

More and more, resource companies are getting out of direct housing ownership unless absolutely necessary.

The tendancy in the past has been, particularly in the mining sector, that, as the mine has matured, housing is sold to employees at either below market or very nominal prices. Although this does cause some distortion in the marketplace, it has been a long standing practice in the Canadian mining industry. This Committee, while not against such practice, feels that prior to turning over ownership, the companies should ensure that all properties meet a standard for services and zoning.

SERVICE SECTOR

Considerable focus is placed on the plight of the resource sector employee in dealing with the problem of resource industries. Little attention is directed at the service sector dependent residents. It is often estimated that the multiplier factor of the service sector in resource dependent communities is as high as 5 or 6 times the number of resource industry jobs. Hence, the adjustment for both the private service sector industries and employees may be more severe than for that of the resource sector and there is often no adjustment program available. It is often argued that in the service sector industry, the so-called "private

entrepreneur" takes his or her chances in terms of capital investment and return on investment. While this may be true in some situations for the owners of small businesses in resource dependent communities, it does not apply to their employees when there is a major shutdown or layoff. The resource industry on the other hand does not feel any great responsibility for the service sector when an adjustment is necessary.

69. **Recommendation: That whatever programs of assistance are developed for directly affected resource industry workers should be available for other affected workers in the community.**

It has been argued before the Committee that a resource sector firm, which purposely contracts out services to local small businesses, assists the community by creating a healthy small business environment that is self-sufficient and hence able to attract and service other types of industries. Such contracting also tends to minimize the influence of "moonlighting" in resource dependent communities.

The Committee is aware of the vital role played in a community by the public and private service sector and encourages their participation in various community leadership situations.

70. **Recommendation: That in all resource dependent communities, every effort be made by the service sector to develop local leadership by participating in an Economic Development Corporation or Committee.**

ADVOCATE FOR NORTHERN ONTARIO RESOURCE DEPENDENT COMMUNITIES

It is apparent, even with the various defined responsibilities of local and senior government departments, that to some extent, resource dependent communities are "left on their own" to deal with their problems. Although senior government does respond, it is often, either delayed, and/or bureaucratically complex from the perspective of the resource dependent community. It must be remembered that from a community leadership perspective, the small resource dependent community is statistically somewhat disadvantaged in comparison to the larger communities in the Province as a whole.

The Committee has been significantly influenced and impressed by the indications to date of some positive results of the recently appointed British Columbia Commissioner of Critical Industries. In all fairness, it must be acknowledged that there are two major concerns with this approach. Firstly, it is not the role of the Commissioner to replace conventional

labour/management negotiations and the Commissioner is in no way a replacement for the traditional political process of giving community sectors free and direct access to appropriate political decision-makers. The Ontario approach, which the Committee proposes below, is felt to be broader in scope than the B.C. model because the "Commissioner's" role would have proactive elements as well as reactive. In a utopian system of governments, such a "Commissioner" would not be necessary, but to paraphrase one B.C. official, "we don't necessarily like it but it's the only act on the block and it seems to work". The B.C. program is a two year experiment and one benefit to date appears to be enhanced communication between government, labour, the communities and the resource industries.

71. **Recommendation: That there is a "Commissioner" of Northern Ontario Resource Dependent Communities to assist the communities and the province with the prevention and/or adjustment to change in the economic base of these communities. The Committee further recommends that this approach be implemented on a trial basis for a period of three years.**

The "Commissioner" would act as a focal point and a "broker/dealmaker" between the government, industry and the community at large. In order for the "Commissioner" to be effective he would be placed outside the normal bureaucratic and political process, but would report to the Minister of Northern Development and Mines. In addition to the "Commissioner's" frequent interaction with the Minister and other government officials the "Commissioner" would report formally on an annual basis to the Minister on the activities of the "Commissioner's" office. It would appear from the B.C. experience that the process of bringing people together in a nonadversarial fashion would benefit all participants. It is expected that the qualifications for an ideal "Commissioner" would be a person who is well-respected and has had broad public and private sector experience. The "Commissioner" would operate with a very small full-time support staff of two or three people with the additional assistance of outside experts. The budgeting impact of such an operation would be insignificant in comparision to present senior government ad-hoc treatment of the problems of resource dependent communities. The experiences gained from the work of such a "Commissioner" would create a knowledge base which would benefit Northern Ontario over the long term.

The Committee recommends that the "Commissioner" be involved in the following types of activitites.

72. **Recommendation:**

(i) During the start up phase of the resource development the "Commissioner" could assume a proactive role as a facilitator between affected communities, industry and the province. The "Commissioner" could act as a single point of contact to assure a co-ordinated response to development proposals. The objective of this role would be to reduce industry's and the community's frustration in dealing with government at large and would reduce the amount of waiting time.

(ii) The "Commissioner" would, for new resource industry developments, help to negotiate planning agreements with companies wanting access to the natural resources. Input from the communities affected by the resource development would be a vital part of these negotiations.

The agreements, inherently, because of business conditions and commodity markets, would include the following:

- employment and training requirements
- small business opportunities
- contribution to community infrastructure (capital and operating)
- anticipated developments

(iii) To be a repository for yearly reports from industry on the state of specific resource dependent industries in Northern Ontario. These yearly submissions would be treated in confidence but industries would be specifically asked to designate significant changes expected to occur. Such information would allow the "Commissioner" to take appropriate action in either an upside or downside type of situation. The yearly report to the "Commissioner" would, as best as possible, project conditions over a five year period.

(iv) The "Commissioner" would play a key role during a community economic disruption. Every effort would be made by the "Commissioner" to facilitate a resolution to minimize community

disruptions. Experience to date in the B.C. experiment seems to indicate that in specific situations viable industries can be salvaged through the co-operative efforts of labour, business, government and the community.

(v) The "Commissioner" explore and prepare concepts such as alternative ownership, employee equity and other innovative approaches to maintain the operation of viable resource industries.

(vi) The "Commissioner", if requested by a community, should suggest mechanisms and guidelines for the establishment of a community-funded adjustment and reserve fund.

(vii) During a major downsizing, the "Commissioner" would ensure that appropriate federal/provincial co-ordination is occuring with respect to the manpower adjustment process. As well, the "Commissioner" could, on a case by case basis, provide necessary transition counselling services if they are not available through regular government programs. The objective would be to ensure an orderly adjustment thereby reducing the amount of stress on the community as a whole.

(viii) The knowledge base available from the "Commissioner's" operation would prove valuable over time in dealing with regional planning and community development issues.

(ix) The initiation of the suggested activities of the "Commissioner" would be from the community, the government, resource industry and/or the information network made available to the "Commissioner's" office.

ACCESS TO INFORMATION

It is apparent to the Committee that a significant problem in recent crises has been the problem of mixed messages. Such information eminating from company officials and/or community rumour is devastating and tends to enhance a feeling of uncertainty and vulnerability in resource dependent communities even during periods of non crisis.

73. **Recommendation: That, in addition to any formal reporting requirements, a public information meeting be held on a yearly basis by the resource company in the community so that the company and the community can share information and concerns.**

In the past a major difficulty in coping with disruption has been the relatively short notice times given for major disruptions. Other recommendations contained elsewhere in this report will mitigate this problem.

RESIDUAL POPULATION

Because of the relative low cost of housing and the inability of near retirement, unskilled workers to find alternative employment, a residual population is remaining in downsized resource dependent communities. It is difficult to say whether this is a trend that should be encouraged or discouraged but the Committee feels strongly that such residual populations should not put undue stress on municipal and provincial infrastructure.

PERSONAL ADJUSTMENT

A problem not unique to resource dependent workers or others in a resource dependent community is that, although they may be more vulnerable to employment disruption than the typical Canadian worker, they are no more prepared. This situation is compounded by the high cost of living in resource dependent communities.

74. **Recommendation: That the concept of the personal adjustment plan being advocated by the Federal Government's Department of Energy Mines and Resources be endorsed.**

Such a plan would allow an individual living in a mining community to shelter from taxes, monies saved in a special plan to assist with future personal relocation and adjustment. It is acknowledged that the Federal Department of Revenue will, no doubt, have reservation about such a proposal. Even if implemented, it may be difficult to have that Department recognize that Northern Ontario would be eligible for such a program.

Having said that, the Committee makes the following additional recommendation.

75. **Recommendation: That the Government of Canada exempt from income tax, those monies which are part of formally negotiated employee adjustment programs in Northern Ontario.**

Recent Federal directions on this issue seem confused and are not particularly sensitive to the plight of the existing resource industry workers in the North. It must be realized by senior government that such individuals do not enjoy the equalities of employment opportunities that most Canadians do.

NOTICE

Existing notice requirements under the Employment Standards Act administered by the Ministry of Labour do not have meaningful application in resource dependent communities. Namely, a controversy surrounds the working definition of permanent and temporary layoffs and the notice and reporting requirements that currently don't come into play until 50 workers are affected at one time. These difficulties make it almost impossible to get meaningful statistical information on resource employment disruptions.

76. **Recommendation: That the Ministry of Labour review the Employment Standards Act and initiate the following changes to the Act:**

(a) that a clear distinction be made between temporary and permanent layoff,

(b) that the advance notice requirement for permanent layoffs over a six month period in the North, be scaled as follows:

50 or more workers - 6 months notice
25 - 49 workers - 3 months notice
10 - 24 workers - 1 months notice

These above requirements would only apply to regular, year round, full time employment positions.

SEVERANCE

Although there are many arguments both for and against mandatory severance pay, employees of resource sector industries tend to be subject to more frequent and severe employment adjustment, hence, an argument exists for mandatory severance pay.

77. **Recommendation: that the Ministry of Labour review the Employment Standards Act and initiate compulsory severance pay for resource sector industries in Northern Ontario which have 50 or more permanently severed employees with at least one year of service.**

SEVERANCE AND WAGE LOSS INSURANCE

The Committee believes that the amount and conditions of severance pay is a matter for either negotiations in individual collective agreements or provincial regulations. The Committee has concern, however, in situations in resource dependent industries where either

"Severence" or "Wage" loss occurs because of corporate insolvency.

78. **Recommendation: That the Recommendations of the J. M. Brown Commission of Inquiry into wage protection in insolvency situations be reviewed by the Minister of Labour with respect to applicability to Ontario. In particular, some type of severance and wage loss insurance fund should be implemented by the Minister.**

VESTING AND PORTABILITY OF PENSIONS

Although this has been a problem in the past, the Committee believes strongly that the direction for pension reforms, i.e. vesting after one year of service and portability announced by the Treasurer late last year, will eliminate the difficulties of the past. The Committee urges the Treasurer to implement the proposed pension reforms as soon as possible.

Every encouragement and assistance should be given to Corporations by Government to adopt early retirement programs for displaced workers.

RELOCATION ASSISTANCE

The lead government agency involved in relocation has been the Federal Department of Employment and Immigration. The Committee has heard some favourable comments concerning the assistance given to displaced workers in finding alternative employment by JAMPACs (Jointly Assisted Municipal Provincial Adjustment Committee). Manpower Adjustment Committees should be mandatory when a major layoff or closure occurs within a resource dependent community with participation by company, union, provincial, community and federal governments. Programs initiated by these Committees should be available to all members of the community. Other Department of Employment and Immigration programs provide funds for travel assistance to job interviews and provide relocation moving subsidies.

79. **Recommendation: That in cases of resource sector disruptions, negotiated adjustment programs provide supplemental mobility assistance for which all affected workers in a community would be eligible, not just resource industry workers.**

PLANT CLOSINGS AND LAYOFFS

80. **Recommendation:** That in communities affected by a major layoff or plant closure, a community adjustment fund should be established with monies supplied by the resource industry to be used by the municipality to develop new employment opportunities, to provide transitional social services and to maintain necessary municipal infrastructure during adjustment.

CONCLUSION

The Government of Ontario, in establishing this Committee, has recognized a growing concern about the future direction of the development (or lack of development) of the North. It is clear that although the economy of the Province as a whole is buoyant, the North continues to be under pressure because of resource depletion and the influences of world commodity markets. It is the feeling of this Committee that a "band-aid" approach will not significantly improve the plight of the residents of the North but rather a special commitment, both politically and by the residents of Ontario, is necessary, if the North is to share in a meaningful way in the quality of life present in this Province. The Report of this Committee includes a wide range of recommendations which provide a structural framework for a long term development strategy for the North and as well provides short term relief for affected resource dependent communities.

Order in Council

Ontario
Executive Council

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that

Whereas many Northern Ontario communities are highly dependent upon the mining and forestry industries and that these industries are subject to both positive and negative economic pressures and cycles;

Recognizing further that resource depletion, investment in productivity improvement, international commodity prices and the cyclical nature of resource industries will continue to lead to plant and mine layoffs and closures in a number of these communities;

Recognizing further that without additional employment opportunities, such layoffs and closures can lead to a crisis situation for members of the community and for the municipal government;

Recognizing further that there may be ways and means for preventing or ameliorating such layoffs and closures, for providing opportunities for local diversification or for the management of inevitable change;

And recognizing that such matters are of public concern, the Honourable the Minister of Northern Development and Mines establish an advisory committee, pursuant to Section 11 of the Ministry of Northern Affairs Act, consisting of seven persons, to act as follows:

Appendix I

O.C.3015/85

1. to examine the current situation and future outlook facing resource dependent communities in general. Such communities are defined in Schedule A.

2. to examine current public sector studies, proposals, policies and programs in Ontario and elsewhere for resource dependent communities;

3. to examine current private sector practices with respect to plant and mine layoffs and closures, and the effects on residents and municipal governments. The examination should include but not be limited to such matters as notice time for layoffs or closures, severance allowances, relocation assistance, company owned employee housing, retraining and skills upgrading, seniority provisions, employment alternatives, municipal tax base and residual population.

4. to review, consider and report on practical and effective alternative mechanisms for addressing such matters, having due regard for the need to advance principles of equity and efficiency.

5. to report and provide proposals for action to the Minister of Northern Development and Mines for consideration by the Cabinet Committee on Northern Development on the subject matter as defined no later than March 31, 1986.

and that

the members of the Committee receive the following remuneration:

Chairman	$200 per diem
Members other than Members of the Legislative Assembly	$150 per diem
Members who are Members of the Legislative Assembly	$ 63 per diem

plus travel, meal and out-of-pocket expenses incurred in connection with their duties.

and that all ministries, boards, agencies and committees of the Government of Ontario be directed to assist the Committee to the fullest possible extent, the Ministry of Northern Development and Mines be authorized to engage such research and other staff and technical advisors as it deems proper for assisting the Committee in carrying out the assignment, and the Committee report weekly on the progress of its investigations to the Minister of Northern Development and Mines.

Recommended _____
Minister of Northern Development and Mines

Concurred _____
Chairman

Approved and Ordered December 19, 1985
Date

_____
Lieutenant Governor

Schedule A

"Resource dependent community" is defined as: a community or group of communities in which there exists dominant resource based economic activity with a single employer or groups of employers in that activity and which is not within commuting distance of another area or areas offering alternative employment opportunities.

Ontario
Executive Council

Order in Council

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that

WHEREAS the advisory Committee on Resource Dependent Communities in Northern Ontario was to report to the Minister of Northern Development and Mines by March 31, 1986;

AND WHEREAS it is considered desirable to extend the reporting date;

The Committee report and provide proposals to the Minister of Northern Development and Mines no later than May 31, 1986;

AND THAT O.C. 3015/85 be amended accordingly.

Recommended _____
Minister of Northern Development and Mines

Concurred _____
Chairman

Approved and Ordered April 3, 1986
Date

_____
Lieutenant Governor

O.C.897/86

Appendix I